



Wisconsin State Senate  
**John Lehman**  
Senator – 21st District

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**Testimony of State Senator John Lehman**  
**Senate Committee on Labor, Elections and Urban Affairs**  
**April 8, 2010**  
**Senate Bill 624**

Chair Coggs and committee members, thank you, for the opportunity to offer my testimony in support of Senate Bill 624. I believe this legislation offers us a unique opportunity to maximize the use of federal recovery funds, leverage private investment, help business' boost their energy efficiency and bottom lines and create jobs.

PACE stands for "property assessed clean energy" and is a local financing model in use across the country and here in Wisconsin. Senate Bill 624 would modify current law to expand a municipality's ability to make loans for energy and water efficiency improvements to include commercial and industrial property. Repayments of the loan could be collected in installments or as part of the property tax bill.

One of the difficulties facing businesses and homeowners in these times of tight capital and budgets is finding the wherewithal to invest in things like energy efficiency that, while providing significant savings, can also have a significant up front cost. PACE programs provide an attractive means to those ends – risk is low because loans are secured by a lien on the property, repayments can stretch over longer periods of time and transfer between owners and total borrowing costs can be moderated by lower interest rates.

Part of my interest in this legislation is parochial. The cities of Racine, Milwaukee, Madison have joined together to submit an application for a federal recovery act grant of \$65 million for energy efficiency improvements for residential and business property owners. The grant application includes plans for PACE programs that would be authorized by this bill.

However, the bill would allow any community in the state to create a PACE program to help make capital available for energy and water efficiency improvements to commercial or industrial properties within their jurisdiction.

In addition, the impacts of PACE will be felt beyond the geographic borders of an individual municipality establishing a program. There will be increased economic activity throughout the state spurred by these investments - manufacturers of energy efficient products will have more orders, retailers will have more people making purchases and front line workers will have more installation work.

PACE is truly a means whereby the public sector can help the private sector by increasing the efficiency (and profitability) of businesses, spurring economic activity and job creation and even helping the environment. I hope SB 624 will have the support of the committee.

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## **SB-624 PUBLIC HEARING TESTIMONY**

SENATE COMMITTEE ON LABOR, ELECTIONS, AND URBAN AFFAIRS  
APRIL 8, 2010

BRUCE LINDSAY, PUBLIC SECTOR SOLUTIONS MANAGER, JOHNSON CONTROLS

- Founded in 1885 and headquartered in Milwaukee, Johnson Controls is a global leader in automotive, building efficiency, and power solutions, with 133,000 employees in more than 1,300 locations around the world.
- Improving energy efficiency is one of the most effective ways for businesses to reduce costs and increase competitiveness. Energy efficiency improvements such as more efficient heating, ventilation, and air conditioning systems often pay for themselves through energy cost savings.
  - Municipalities throughout the United States have established PACE programs to provide homeowners and businesses with cost-effective energy solutions. At least 16 states have enacted PACE enabling legislation. In Wisconsin, Milwaukee, Racine, and River Falls currently have residential PACE programs.
- PACE programs eliminate the upfront cost barrier for homeowners and businesses by spreading the capital cost of the improvement over a ten- to twenty-year period.
- Municipalities benefit from PACE programs through local job creation, economic growth, and a low-risk, sustainable revolving loan fund.
- SB-624 will give Wisconsin municipalities the flexibility to design PACE programs that work best for each community.
- Owner-arranged financing will provide additional private-sector funding and flexibility for municipalities and property owners.